

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF IOWA
CENTRAL DIVISION

UNITED STATES OF AMERICA,)	
)	Case No. 3:24-cv-03014-CJW-MAR
Plaintiff,)	
)	
v.)	
)	
RICHARD GROTE,)	
DEBBIE GROTE,)	
FRANKLIN COUNTY TREASURER'S)	
OFFICE,)	
and)	
IOWA DEPARTMENT OF REVENUE,)	
)	
Defendants.)	

ORDER GRANTING MOTION FOR DEFAULT JUDGMENT

This matter comes before the Court on the United States' Motion for Default Judgment against Richard Grote. (ECF No. 13.) Richard Grote, Debbie Grote, and the Franklin County Treasurer have failed to appear or defend in this case, and the Clerk of the Court entered defaults against them. (ECF Nos. 10 & 12.) The Iowa Department of Revenue answered the complaint, and acknowledged that their lien is junior to the United States' federal tax lien. (ECF No. 7.)

In its motion, the United States asks this Court to: (1) enter a default money judgment against Richard Grote; (2) enter default judgment enforcing the federal tax liens against Richard Grote's interest in real property located in Hampton, Iowa; (3) order that the real property be sold to satisfy Grote's liability; and (4) order that the proceeds from the sale be distributed to the parties in accordance with their interests. Having considered the United States Motion for entry of default money judgment against Richard Grote, IT IS ORDERED that the United States Motion for Default Judgment (ECF No. 13.) is GRANTED.

Accordingly,

IT IS HEREBY ORDERED that judgment is entered on Count I of the Complaint in favor of the United States and against Richard Grote in the amount of \$ 6,277,807.75, regarding his unpaid federal income tax liabilities for tax years 2007, 2008, 2009, 2010, 2011, and 2012, plus interest and other statutory additions that have accrued from June 1, 2024 and will continue to accrue on the amount owed until the balance is paid in full;

IT IS FURTHER ORDERED that judgment is entered on Count II of the Complaint in favor of the United States and against Richard Grote, Debbie Grote, and the Franklin County Treasurer's Office as follows:

(a) The federal tax liens arising out of the assessments against Richard Grote are valid and subsisting liens that attached to all property and rights to property of Richard Grote as of the dates of the assessments made against him;

(b) The federal tax liens attached to the real property located at 920 4th Ave. SE, Hampton, Iowa 50441 ("the Property") with a legal description of:

A tract of land located in the Southeast Quarter (SE1/4) of the Northwest Quarter (NW 1/4) of section Thirty-four (34), Township Ninety-two (92) North, Range Twenty (20) West of the 5th P.M., Franklin County, Iowa described as follows to wit: Commencing at the Northwest corner of lot 1 block 2 in J.C. and Vernice J. Hamilton's Second addition to Hampton, running thence North 36 Feet, thence East 6.5 Feet, thence North 48.5 Feet, thence East 141 Feet, thence South 84.5 Feet, thence West 147.5 Feet to the place of beginning, Franklin County, Iowa.

(c) The United States' interest in the Property is superior to the Iowa Department of Revenue's interest in the property, if any; and

(d) The federal tax liens may be enforced against the Property and the Property sold, pending further Order of this Court, in a judicial sale according to law, free and clear of any right, title, lien, claims, or interest of any other lien holders, and the proceeds of the sale distributed as follows:

1. First, to the United States to cover any administrative costs of the sale.
2. Second, one half of the remaining proceeds to Defendant Debbie Grote, in respect of her joint ownership.
3. Third, to satisfy the balance of the United States' Notice of Federal Tax Liens associated with Richard Grote's unpaid tax liabilities for tax years 2007, 2008, 2009, 2010, 2011, and 2012.
4. Fourth, to satisfy the balance of the Iowa Department of Revenue's liens.
5. Last, any remaining proceeds to Richard Grote.

The Clerk of the Court shall enter judgment accordingly.

IT IS SO ORDERED.

DATED _____

C.J. WILLIAMS
CHIEF JUDGE
UNITED STATES DISTRICT COURT

Judgment is entered this ____ day of _____, 2024

CLERK OF COURT